GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA

STARRED QUESTION NO:170
ANSWERED ON:02.03.2006
PURCHASE OF AIRCRAFT
Adhalrao Patil Shri Shivaji;Saradgi Shri Iqbal Ahmed

Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether the Air India(AI) has signed a commercial order with US aerospace firm Boeing for purchase of aircraft;

(b) if so, the terms and conditions thereof;

(c) whether the Government has approved the proposal of Indian Airlines(IA) for purchase of new aircraft;

(d) if so, whether the IA has also placed orders with the Airbus Industrie in this regard;

(e) if so, the details thereof;

(f) the total financial implications involved therein and how the funds are to be mobilised by these airlines for procurement of new aircraft; and

(g)the time by which the aircraft are likely to be inducted in IA/AI alongwith the names of sectors identified for its operations?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF CIVIL AVIATION (SHRI PRAFUL PATEL)

(a), (b), (c), (d), (e), (f) and (g): A Statement in laid on the Table of the House.

STATEMENT IN REPLY TO LOK SABHA STARRED QUESTION NO. 170 FOR 02.03.2006 REGARDING PURCHASE OF AIRCRAFT.

(a): Air India has signed a purchase agreement with Boeing Company for the purchase of 68 aircraft comprising 8XB777-200LR, 15X B777-300ER and 27X B787-8 all powered with GE engines for Air India and 18 X B737-800W all powered with CFM engines for Air India Charters Limited (a subsidiary of Air India).

(b): Detailed terms and conditions are contained in the Aircraft General Terms Agreements (Nos. 2996, 2997 and 2998) executed between the Boeing and Air India Limited. These conditions include amongst other terms, the price of aircraft, price escalation provision, aircraft features, spares and product support services that Boeing will provide to the airline, Guarantees/warranties, commercial terms etc.

(c), (d) and (e):Yes, Sir. Indian Airlines has executed an agreement with Airbus Industrie on 20.02.2006 for purchase of 43 Airbus aircraft comprising 19 x A-319, 4 x A-320 and 20 x A-321 all powered with CFM 56-5B engines.

(f): The net project cost of 68 aircraft to be acquired by Air India is estimated to Rs.34,615 crores. As regards, Indian Airlines, the estimated cost of 43 aircraft is approximately by Rs.9,888 crores.

Both the airlines will fund the project costs through External Commercial Borrowings and mix of other options including from internal resources. The Government has also released an amount of Rs.325 crores as additional equity to Indian Airlines to be used as margin money for purchase of aircraft.

(g): The delivery of 50 Aircraft to Air India Limited are scheduled between November 2006 and August, 2011 and for 18 aircraft by Air India Charters Limited, the deliveries are scheduled between September 2008 and February, 2012. Air India will deploy the aircraft for non-stop services to USA and on Southeastern/European sectors.

The delivery of 43 Aircraft to Indian Airlines Limited are scheduled between November 2006 to March 2010. These aircraft will be deployed for operation of services on the total network of Indian Airlines.